

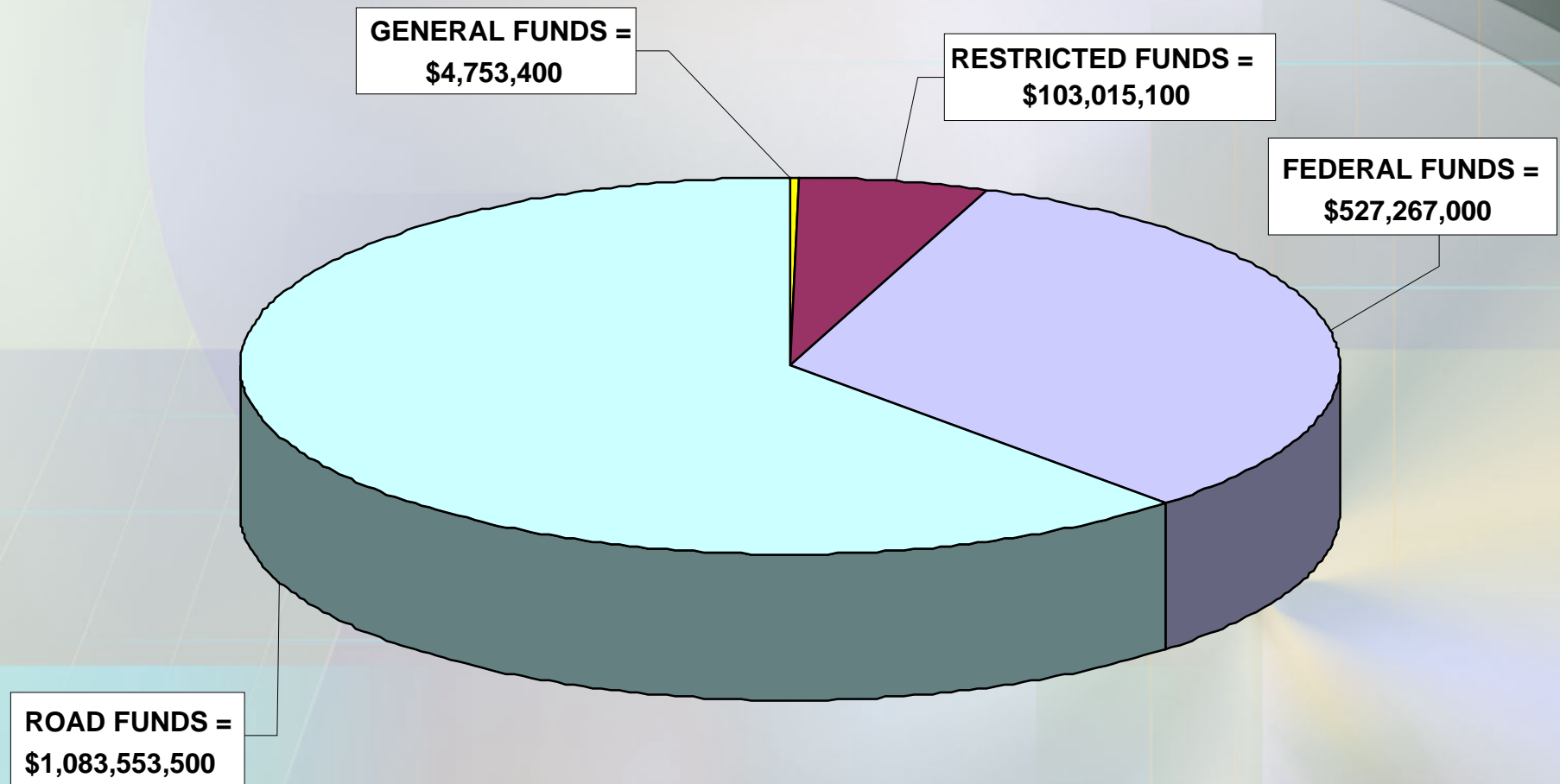
# **27th Annual Kentucky Transportation Conference**

**Debra Gabbard, CPA  
Executive Director  
Office of Budget & Fiscal Management**

**January 27, 2005**

# WHERE DOES OUR MONEY COME FROM?

Total Funding: \$1.7 Billion Annually



# Road Fund Revenues

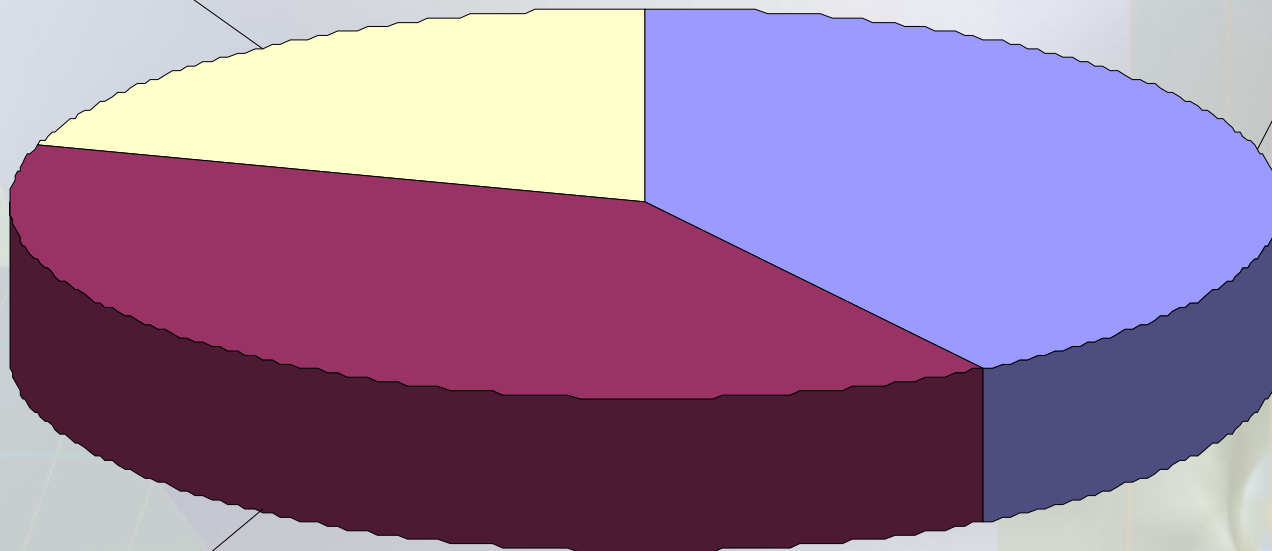
Fiscal Year 2004

Other = \$227,981,000

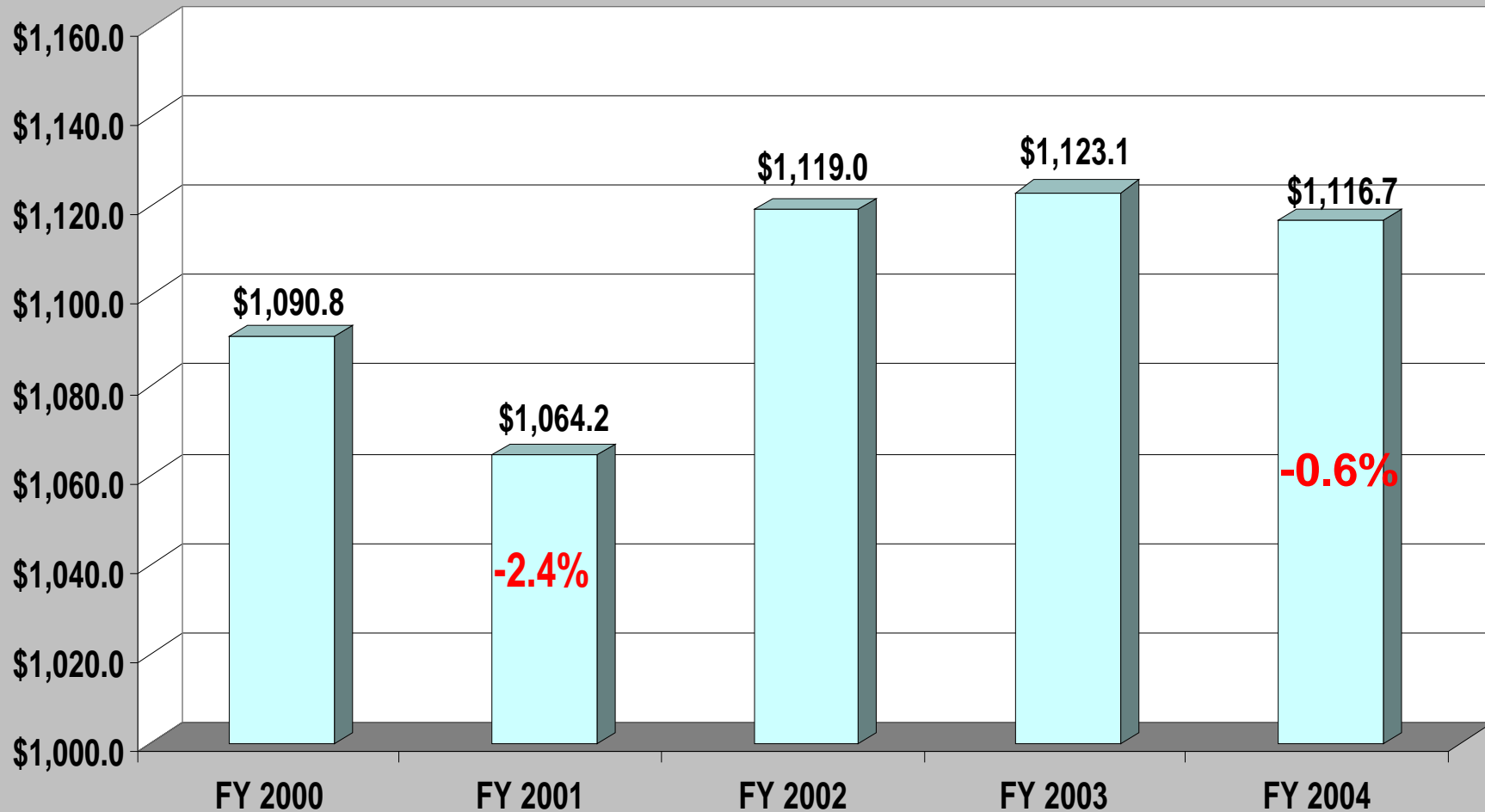
Motor Fuels =  
\$459,552,000

Motor Vehicle Usage =  
\$429,201,000

Total: \$1,116,734,000



## HISTORY OF ROAD FUND REVENUES (Millions)



*FY 2004 Estimated Revenues represent 2.4% growth over Actual FY 2000 Revenues. This equates to an average annual growth of approximately 0.6%.*

# CFG REVISES ROAD FUND ESTIMATE

(In Millions)

	<u>FY05</u>	<u>FY06</u>
<b>June 2004</b>	1,149.3	1,143.8
<b>January 2005</b>	<u>1,119.7</u>	<u>1,127.1</u>
	<b>-\$29.6</b>	<b>-\$16.7</b>
	<b>-\$46.3</b>	

# **FY05** Breakdown of Estimate

	<b><u>June CFG Estimate</u></b>	<b><u>Jan. CFG Estimate</u></b>	<b><u>Revised Estimate</u></b>
<b>Motor Fuels</b>	<b>483.7</b>	<b>490.8</b>	<b>+ 7.1</b>
<b>Motor Vehicle Usage</b>	<b>444.2</b>	<b>405.5</b>	<b>-38.7</b>
<b>Other</b>	<b><u>221.5</u></b>	<b><u>223.4</u></b>	<b><u>+ 1.9</u></b>
<b>TOTAL</b>	<b>\$1,149.3</b>	<b>\$1,119.7</b>	<b>-\$29.6</b>

**(In Millions)**

# **FY05 Breakdown of Estimate**

	<b><u>Revised Estimate</u></b>	<b><u>Revenue Sharing</u></b>	<b><u>KYTC State Uses</u></b>
<b>Motor Fuels</b>	<b>+ 7.1</b>	<b>+ 3.4</b>	<b>+ 3.7</b>
<b>Motor Vehicle Usage</b>	<b>-38.7</b>		<b>-38.7</b>
<b>Other</b>	<b><u>+ 1.9</u></b>	<b>—</b>	<b><u>+ 1.9</u></b>
<b>TOTAL</b>	<b>-\$29.6</b>	<b>+\$3.4</b>	<b>-\$33.1</b>

**(In Millions)**

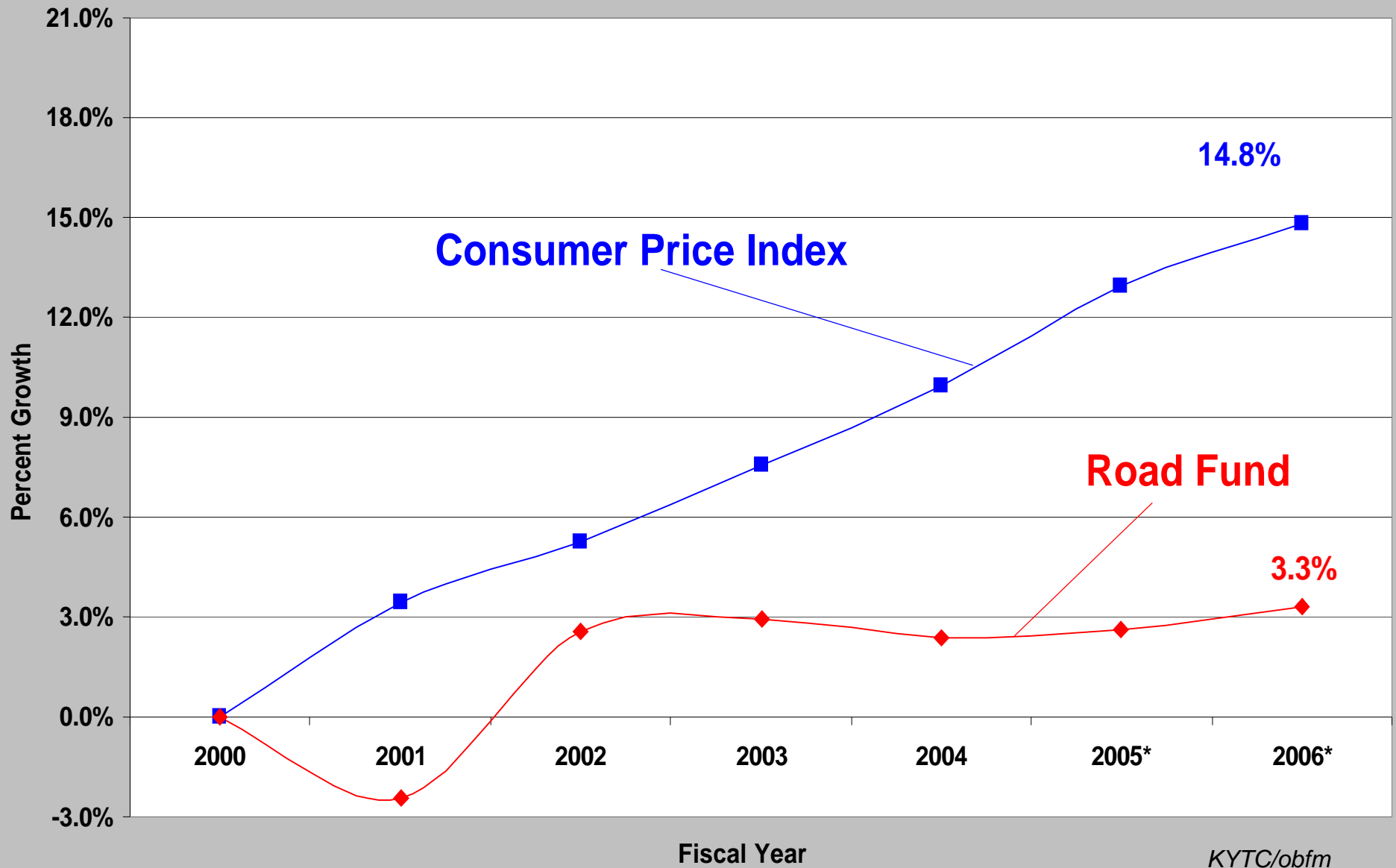
# **FY06 Breakdown of Estimate**

	<b><u>Revised Estimate</u></b>	<b><u>Revenue Sharing</u></b>	<b><u>KYTC State Uses</u></b>
<b>Motor Fuels</b>	<b>+18.3</b>	<b>+ 8.8</b>	<b>+ 9.5</b>
<b>Motor Vehicle Usage</b>	<b>-32.3</b>		<b>-32.3</b>
<b>Other</b>	<b><u>- 2.7</u></b>	<b>—</b>	<b><u>- 2.7</u></b>
<b>TOTAL</b>	<b>-16.7</b>	<b>+8.8</b>	<b>-25.5</b>

**(In Millions)**



# ROAD FUND GROWTH COMPARED TO CPI from FY 2000



\* FY05 & FY06 are based on January, 2005 Consensus Forecasting Group Estimate.

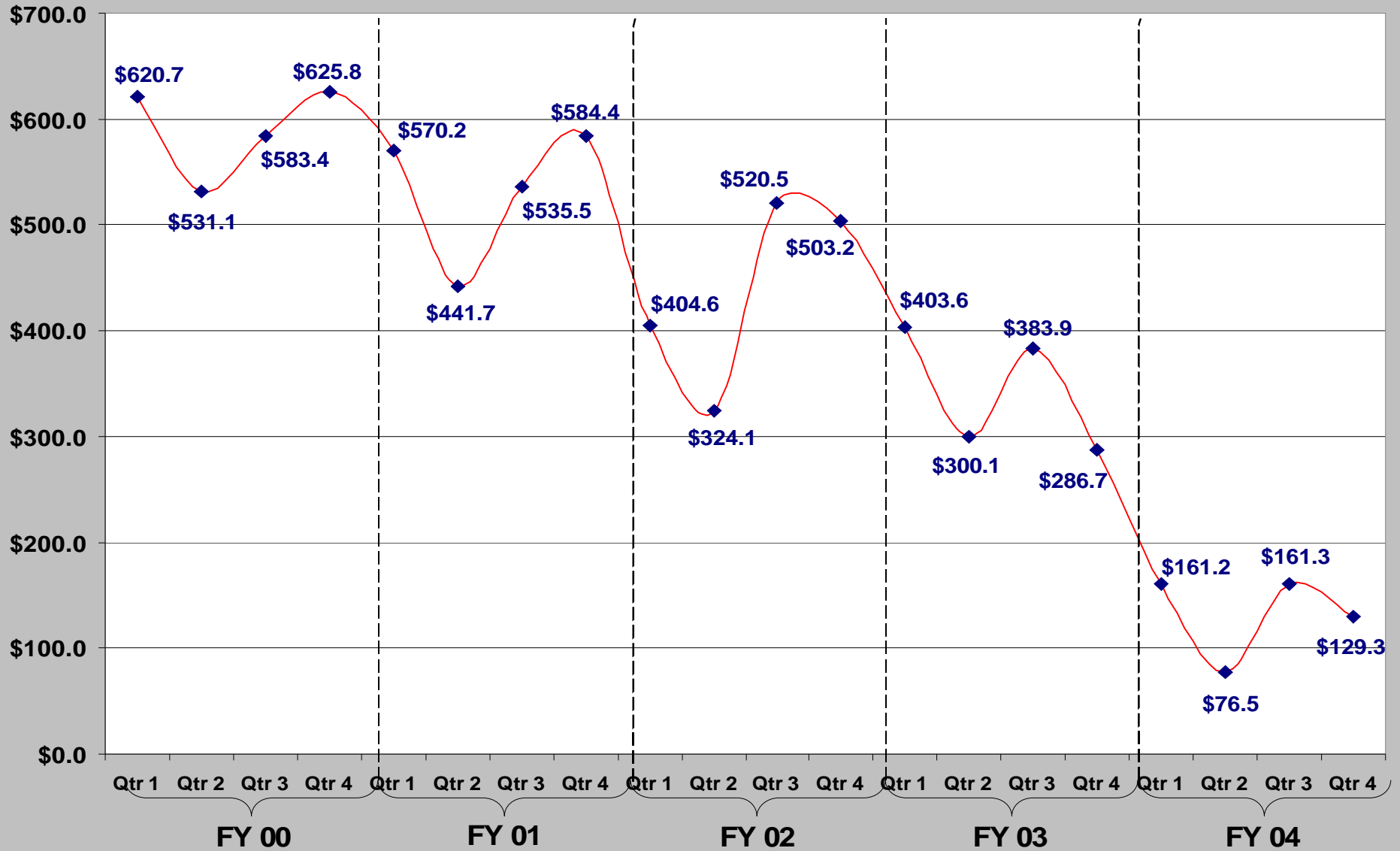
# **CABINET'S RESPONSE**

- Continue to cash flow projects but on an extremely limited basis.

# **FUNDING OF STATE PROJECTS WITH CASH FLOW METHODOLOGY**

- 2000 General Assembly authorized KYTC to accelerate or cash flow state projects.
- Spend-down of the Road Fund cash.

# Net Road Fund Cash Balance (millions)

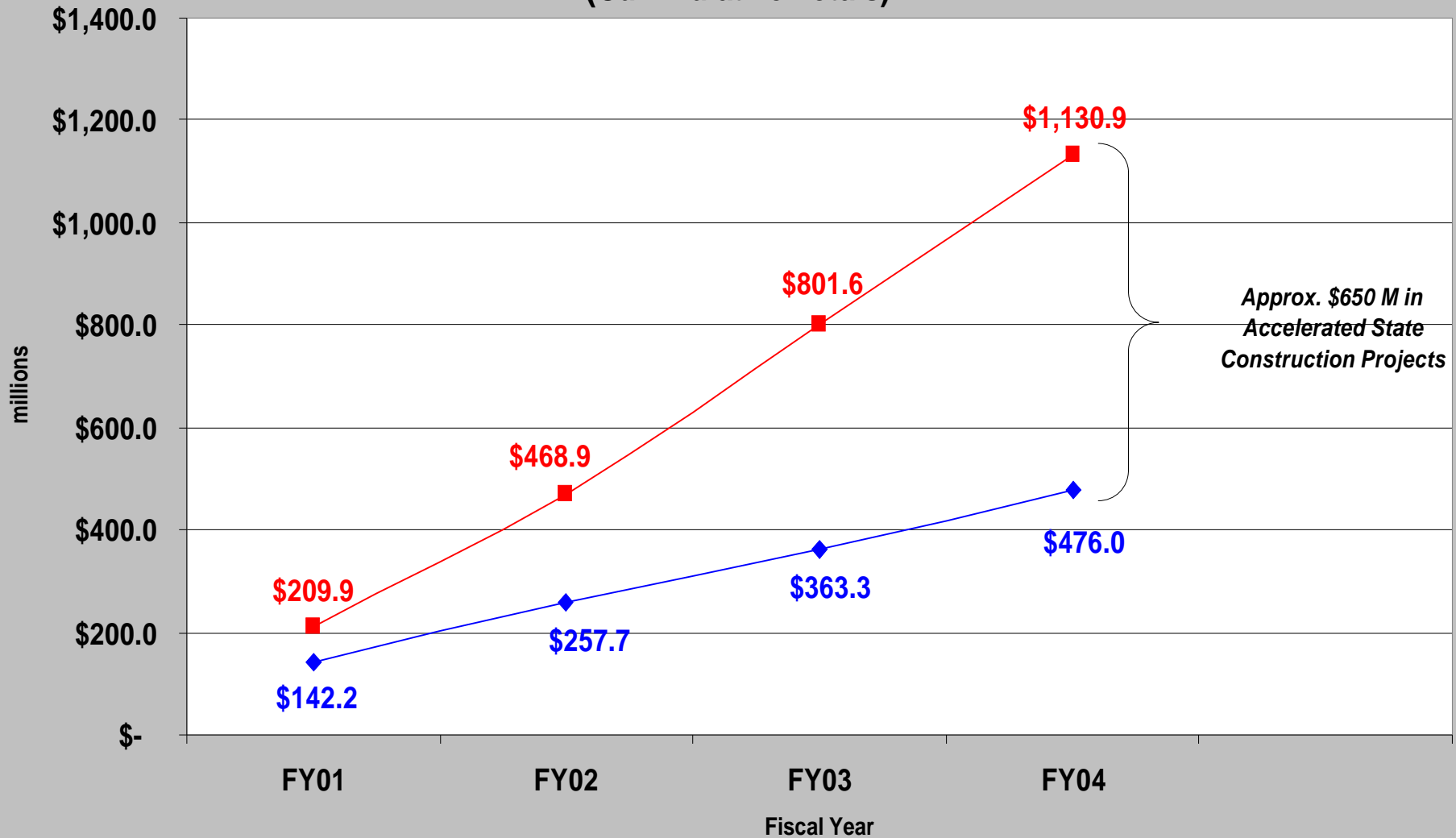


NOTE: Quarterly amounts represent the balance at the close of the last fiscal month of each respective quarter.

KYTC/obfm

# CASH MANAGEMENT RESULTS

## Projected Expenditures vs Actual Expenditures (Cummulative Totals)



# **CABINET'S RESPONSE**

- Continue to cash flow projects but on an extremely limited basis.
- Aggressive use of Toll Credits.

# TOLL CREDITS

- FHWA permits a state to match Federal highway and Federal transit dollars with credits.
- Frees up cash to be used elsewhere.
- Reduces purchasing power in that particular program.

# **Toll Credit Comparison**

**In Millions**

	<b>Cash Match</b>	<b>Toll Credits</b>
Federal Hwy Funds	500	500
Cash	125	0
Toll Credits	0	125
<b>Total</b>	<b>\$625</b>	<b>\$500</b>

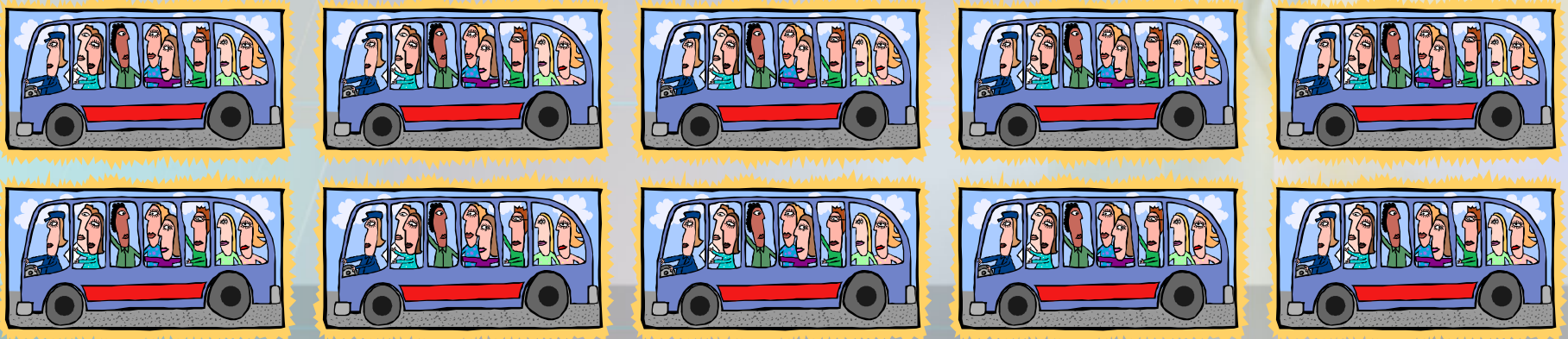


# PUBLIC TRANSPORTATION

## BUS REPLACEMENT GRANT USING AN 80/20 MATCH

Federal Grant	800,000
State Match	100,000
<u>Local Match</u>	<u>100,000</u>
<b>TOTAL FUNDS</b>	<b>\$1,000,000</b>

10 BUSES REPLACED

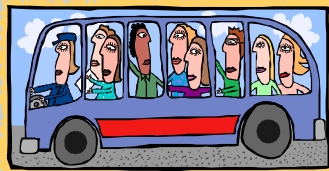


# PUBLIC TRANSPORTATION

## BUS REPLACEMENT GRANT USING TOLL CREDITS

Federal Grant	800,000
State Match	100,000
<u>Local Match (Toll Credits)</u>	<u>100,000</u>
<b>TOTAL FUNDS</b>	<b>\$900,000</b>

9 BUSES REPLACED



# CABINET'S RESPONSE

- Continue to cash flow projects but on an extremely limited basis.
- Aggressive use of Toll Credits.
- Advocating and preparing for the use of Garvee Bonds.
- Overall commitment to do the best with what we have.

